

REPORT

Washington Parish Fire
Protection District #2
Washington Parish Government
Richardson, Louisiana

GENERAL PURPOSE FINANCIAL STATEMENTS

As of and for the Year

Ended December 31, 2001

with Supplemental Information
and Accountant's Attestation Report
on Agreed Upon Procedures

ANNUAL REPORT

WASHINGTON PARISH FIRE PROTECTION DISTRICT # 2
Richardson, Louisiana
a component unit of
WASHINGTON PARISH GOVERNMENT

General Purpose Financial Statements
As of and for the Year
Ended December 31, 2001
with Supplemental Information Schedules
and Accountant's Attestation Report on Agreed Upon Procedures

WASHINGTON PARISH FIRE PROTECTION DISTRICT #2
WASHINGTON PARISH GOVERNMENT
Richardson, Louisiana

General Purpose Financial Statements
As of and for the Year Ended December 31, 2001
With Supplemental Information Schedule

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TRANSMITTAL LETTER

ANNUAL FINANCIAL STATEMENTS

DECEMBER 31, 2001

Office of the Legislative Auditor
Attention: Ms. JoAnne Sanders
1800 North Third
P. O. Box 94397
Baton Rouge, LA 70804-9397

Dear Ms. Sanders:

In accordance with Louisiana Revised Statute 24:514, enclosed are the annual financial statements for the Washington Parish Fire Protection District No. 2 as of and for the fiscal year ended December 31, 2001. The report includes all funds under the control and oversight of the district. The accompanying financial statements have been prepared in accordance with generally accepted accounting principles.

Sincerely,


Officer

Enclosure

Durden and Alonzo

CERTIFIED PUBLIC ACCOUNTANTS

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William R. Durden

Donna W. Alonzo

Board of Commissioners
Washington Parish Fire
Protection District # 2
Richardson, Louisiana

We have compiled the accompanying financial statements and supplemental information of the Washington Parish Fire Protection District # 2, a component unit of the Washington Parish Government, as of and for the year ended December 31, 2001, in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants.

A compilation is limited to presenting in the form of financial statements information that is the representation of management. We have not audited or reviewed the accompanying financial statements and supplemental information, and, accordingly, do not express an opinion or any other form of assurance on them.

In accordance with the Louisiana Governmental Audit Guide and the provisions of state law, we have issued a report, dated May 6, 2002, on the results of our agreed-upon procedures.

Durden and Alonzo, CPAs

Durden and Alonzo
Certified Public Accountants

Franklinton, Louisiana
April 30, 2002

FINANCIAL STATEMENTS

STATEMENT A

WASHINGTON PARISH FIRE PROTECTION DISTRICT #2
WASHINGTON PARISH GOVERNMENT
Richardson, Louisiana

All Fund Types and Account Groups

Balance Sheet
December 31, 2001

	Governmental Funds			Account Groups			Total
	General Fund	Debt Service Fund		General Fund Assets	General Fund Long-Term Obligations	Memorandum Only	
ASSETS AND OTHER DEBITS							
ASSETS:							
Cash and cash equivalents	\$ 66,205	\$ 16,500	\$ -	\$ -	\$ -	\$ -	\$ 72,713
Investments	-	-	-	-	-	-	-
Due from other funds	-	-	-	-	-	-	-
Receivables	\$7,887	\$4,086	-	-	-	-	111,773
Prepaid expense	1,522	-	-	-	-	-	1,522
Land, buildings & equipment	-	-	-	556,261	-	-	556,261
OTHER DEBITS:							
Amount available in Debt Service Fund	-	-	-	-	-	-	-
Amount to be provided for retirement of long-term obligations	-	-	-	-	16,508	-	16,508
					393,492		393,492
TOTAL ASSETS AND OTHER DEBITS	\$ 115,414	\$ 70,584	\$ -	\$ 556,261	\$ 410,000	\$ -	\$ 1,192,259
LIABILITIES, EQUITY, AND OTHER CREDITS							
LIABILITIES:							
Accounts payable	\$ 5,127	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 5,127
Due to other funds	-	-	-	-	-	-	-
Deferred Revenue	\$7,697	\$4,086	-	-	-	-	111,773
General obligation bonds	-	-	-	-	410,000	-	410,000
Total Liabilities	122,814	54,086	-	-	410,000	-	526,900
EQUITY AND OTHER CREDITS:							
Investment in general fund assets	-	-	-	556,261	-	-	556,261
Fund balance - unreserved	\$2,600	16,500	-	-	-	-	19,100
Total Equity and Other Credits	\$2,600	16,500	-	556,261	-	-	655,361
TOTAL LIABILITIES, EQUITY, AND OTHER CREDITS	\$ 115,414	\$ 70,584	\$ -	\$ 556,261	\$ 410,000	\$ -	\$ 1,192,259

See accountant's report and accompanying notes to the financial statements

STATEMENT B

WASHINGTON PARISH FIRE PROTECTION DISTRICT # 2
WASHINGTON PARISH GOVERNMENT
Richardson, Louisiana

GOVERNMENTAL FUNDS

Statement of Revenues, Expenditures
and Changes in Fund Balance
For the Year Ended December 31, 2001

	General	Debt Service	Total
REVENUES:			
Ad valorem taxes	\$ 33,497	\$ 31,406	\$ 64,903
State revenue sharing	10,654	-	10,654
Sale of equipment	-	-	-
Interest earned	2,070	855	2,925
Total Revenues	<u>46,221</u>	<u>32,261</u>	<u>78,482</u>
EXPENDITURES:			
Fuel, gas, and oil	1,084	-	1,084
Insurance	8,496	-	8,496
Repairs and maintenance	7,017	-	7,017
Supplies	11,158	-	11,158
Capital Outlay	15,516	-	15,516
Legal and accounting	3,450	-	3,450
Election cost	-	-	-
Utilities	1,556	-	1,556
Office expense	189	-	189
Debt service:			
Principal retirement	-	15,000	15,000
Interest	-	19,143	19,143
Other	1,072	350	1,422
Total expenditures	<u>49,538</u>	<u>34,493</u>	<u>84,031</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(3,317)	(2,232)	(5,549)
OTHER SOURCES (USES):			
Fund transfers	-	-	-
NET EXCESS (DEFICIENCY) OF REVENUE	<u>(3,317)</u>	<u>(2,232)</u>	<u>(5,549)</u>
FUND BALANCE, JANUARY 1, 2001	<u>55,917</u>	<u>18,740</u>	<u>74,657</u>
FUND BALANCE, DECEMBER 31, 2001	<u>\$ 52,600</u>	<u>\$ 16,508</u>	<u>\$ 69,108</u>

See accountant's report and accompanying notes to the financial statements

STATEMENT C

WASHINGTON PARISH FIRE PROTECTION DISTRICT # 2
WASHINGTON PARISH GOVERNMENT
Richardson, Louisiana

GOVERNMENTAL FUNDS

Statement of Revenues, Expenditures
and Changes in Fund Balance -
Budget and Actual - General Fund
For the Year Ended December 31, 2001

	General Fund		
	Budget	Actual	Variance
REVENUES:			
Ad valorem taxes	\$ 38,500	\$ 33,497	\$ (5,003)
State revenue sharing	5,000	10,654	5,654
Interest earned	1,800	2,070	270
Other revenue	-	-	-
Total Revenues	45,300	46,221	921
EXPENDITURES:			
Fuel, gas, and oil	1200	1,084	116
Insurance	7200	8,496	(1,296)
Repairs and maintenance	5000	7,017	(2,017)
Supplies	500	11,158	(10,658)
Capital Outlay	26000	15,516	10,484
Legal and accounting	3000	3,450	(450)
Advertising	200	-	200
Utilities	1500	1,566	(66)
Office expense	150	189	(39)
Other	550	1,072	(522)
Total expenditures	45,300	49,538	(4,238)
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	-	(3,317)	(3,317)
OTHER SOURCES (USES):			
Fund transfers	-	-	-
NET EXCESS (DEFICIENCY) OF REVENUES	-	(3,317)	(3,317)
FUND BALANCE, JANUARY 1, 2001	55,917	55,917	-
FUND BALANCE, DECEMBER 31, 2001	\$ 55,917	\$ 52,600	\$ (3,317)

See accountant's report and accompanying notes to the financial statements

NOTES TO FINANCIAL STATEMENTS

WASHINGTON PARISH FIRE PROTECTION DISTRICT # 2
WASHINGTON PARISH GOVERNMENT
Richardson, Louisiana

Notes to the Financial Statements
For the Year Ended December 31, 2001

INTRODUCTION

As provided by the Louisiana Revised Statute 40:1496.12B, the Fire Protection District Number Two of Washington Parish was created November 11, 1987 through a resolution passed by the Washington Parish Police Jury. The District shall constitute a public corporation and as such shall have all the powers of public corporations, including perpetual existence and the right and power to incur debt and contract obligations, to sue and be sued, and to have a corporate seal. The district shall also be authorized to do and perform all acts in its corporate capacity and in its name, necessary and proper, for the purposes of acquiring, maintaining and operating buildings, machinery, equipment, water tank, water hydrants, water lines, and such other things as might be necessary or proper for effective fire prevention and control as considered necessary by the parish governing body of the district for the protection of the property within the limits of the district against fire.

The governing body of the parish shall appoint a five member board that shall perform all duties, functions, and powers responsible for the operation and maintenance of the district. All funds of the district shall be administered by the board. Members of the board of commissioners may be paid a per diem of fifty dollars for attending meetings of the board, and may be reimbursed any expenses incurred in performing the duties imposed upon them.

The District encompasses approximately 90 square miles in a portion of Wards 9 and 1 of Washington Parish, and serves approximately 2,000 residents and several small businesses operating in this district. It operates three fire stations, one on Louisiana Highway 10 in the Richardson Community, a second on Louisiana Highway 450 in the Stoney Point Community and a third fire station in the Vernon Community, with a volunteer staff of firefighters.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. BASIS OF PRESENTATION

The accompanying financial statements of the Washington Parish Fire Protection District # 2 have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to government units.

The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

B. REPORTING ENTITY

WASHINGTON PARISH FIRE PROTECTION DISTRICT # 2
WASHINGTON PARISH GOVERNMENT
Richardson, Louisiana

Notes to the Financial Statements (Continued)
For the Year Ended December 31, 2001

As the governing authority of the parish, for reporting purposes, the Washington Parish Government is the financial reporting entity for Washington Parish. The financial reporting entity consists of (a) the primary government, the parish council, (b) organizations for which the primary government is financially accountable, and (c) other organizations for which nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

Governmental Accounting Standards Board Statement No. 14 established criteria for determining which component units should be considered part of the Washington Parish Government for financial reporting purposes. The basic criterion for including a potential component unit within the reporting entity is financial accountability. The GASB has set forth criteria to be considered in determining financial accountability. This criteria includes:

1. Appointing a voting majority of an organization's governing body, and
 - a. The ability of the parish government to impose its will on that organization and/or
 - b. The potential for the organization to provide specific financial benefits to or impose specific financial burdens on the parish government.
2. Organizations for which the parish government does not appoint a voting majority but are fiscally dependent on the parish government.
3. Organizations for which the reporting entity financial statements would be misleading if data of the organization is not included because of the nature or significance of the relationship.

Because the parish government appoints a voting majority of the district's governing board and the parish government has the ability to impose its will on the district, the district was determined to be a component unit of the Washington Parish Government, the financial reporting entity. The accompanying financial statements present information only on the funds maintained by the district and do not present information on the parish government, the general government services provided by that governmental unit, or the other governmental units that comprise the financial reporting entity.

C. FUND ACCOUNTING

The district uses funds and account groups to report on its financial position and

WASHINGTON PARISH FIRE PROTECTION DISTRICT # 2
WASHINGTON PARISH GOVERNMENT
Richardson, Louisiana

Notes to the Financial Statements (Continued)
For the Year Ended December 31, 2001

the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions relating to certain government functions or activities.

A fund is a separate accounting entity with a self-balancing set of accounts. An account group, on the other hand is a financial reporting device designed to provide accountability for certain assets and liabilities that are not recorded in the funds because they do not directly affect net expendable available financial resources.

Funds of the district are classified as governmental funds. Governmental funds account for the district's general activities, including the collection and disbursements of specific or legally restricted money, the acquisition or construction of general fixed assets, and the servicing of general long-term debt. Governmental funds of the district include:

- a. General Fund – the general operating fund of the district accounts for all financial resources, except those required to be accounted for in other funds.
- b. Debt Service Fund – the debt service fund of the district accounts for the matured portion of and the payment of principal and interest of liabilities of the General Long-term Debt Account Group.
- c. Capital Projects Fund - the capital projects fund of the district accounts for the distribution of restricted funds that arose from the issuance of general obligation bonds, for the purpose of acquiring, constructing and improving buildings, machinery and equipment, including both real and personal property.

D. BASIS OF ACCOUNTING

The modified accrual basis of accounting is used by governmental funds. The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. Governmental funds are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. Operating statements of these funds present increases and decreases in net current assets. Effective for financial statements issued after June 30, 2000, GASB Statement 33, Accounting and Financial reporting for Nonexchange Transactions, defines a nonexchange transaction as a transaction whereby the government gives or receives value without directly receiving or giving equal value in return. Property taxes are imposed nonexchange revenues which result from assessments imposed on

WASHINGTON PARISH FIRE PROTECTION DISTRICT # 2
WASHINGTON PARISH GOVERNMENT
Richardson, Louisiana

Notes to the Financial Statements (Continued)
For the Year Ended December 31, 2001

Nongovernmental entities including individuals. Assets should be recognized when the government has an enforceable lien or legal claim to the resources, or the resources are received, whichever occurs first. Revenues are recognized in the period when use of the resources is required or first permitted by time requirements, for example for property taxes, the period for which (budget period) they are levied, or at the same time the assets are recognized, if no time requirements have been established. Resources received or recognized as receivable before the time requirements are met should be recognized as deferred revenue. However, for revenue to be recognized under the modified accrual basis, the measurable and available criteria must also be met. Governmental funds use the following practices in recording revenues and expenditures:

Revenues

Revenues are recognized in the accounting period they become available and measurable. Donations and state revenue sharing is recorded when received. Ad valorem taxes become a lien against the assessed property on assessment date or levy date, therefore, a receivable is recorded at this time, however the actual amount paid to the governmental unit may not be collected until a later budget period, thus the revenue is recorded as deferred revenue and earned as collected.

Expenditures

Expenditures are recognized in the accounting period when the fund liability is incurred.

Other Financing Sources (Uses)

Transfers between funds that are not expected to be repaid are accounted for as other financing sources (uses). The proceeds from the issuance of long-term debt are not considered revenue but are classified as other sources of financing.

E. BUDGETS

The District follows these procedures in establishing data for the budget and adopting the annual budget.

1. The Treasurer and Chairman prepare a proposed budget and submit to the board for review at the November board meeting of the preceding year.

WASHINGTON PARISH FIRE PROTECTION DISTRICT # 2
WASHINGTON PARISH GOVERNMENT
Richardson, Louisiana

Notes to the Financial Statements (Continued)
For the Year Ended December 31, 2001

2. The budget is reviewed by the board and amendments or changes are offered at the December meeting. Any suggestions are taken under advisement with necessary action being taken to finalize the budget data. At this meeting, the finalized budget is adopted.
3. The budget is submitted to the Washington Parish Government for inclusion in their records.
4. Budgetary amendments, as required by state statute, are presented to the board for its approval.

F. ENCUMBRANCES

The district does not use encumbrance accounting.

G. CASH AND CASH EQUIVALENTS

Cash includes amounts in demand deposits, interest bearing demand deposits, and money market accounts. Cash equivalents include amounts in time deposits and those investments with original maturities of 90 days or less. Under state law, the district may deposit funds in demand deposits, interest-bearing demand deposits, money market accounts, or time deposits with state banks organized under Louisiana law and national banks having their principal offices in Louisiana.

H. PREPAID ITEMS

The district uses the allocation method of recording prepaid expenses.

I. FIXED ASSETS

Fixed assets are recorded as expenditures at the time purchased or constructed and the related assets are reported in the general fixed assets account group. No depreciation has been provided on general fixed assets. All fixed assets are valued at historical cost or estimated historical cost when historical cost is not available. Donated assets are valued at their estimated fair market value at the date of donation.

J. COMPENSATED ABSENCES

The district does not have any compensated employees, therefore they do not have a compensated absence policy.

WASHINGTON PARISH FIRE PROTECTION DISTRICT # 2
WASHINGTON PARISH GOVERNMENT
Richardson, Louisiana

Notes to the Financial Statements (Continued)
For the Year Ended December 31, 2001

K. LONG-TERM OBLIGATIONS

Long-term obligations expected to be financed from governmental funds are reported in the general long-term debt account group. Expenditures for principal and interest payments for long-term obligations are recognized in the governmental funds when due.

L. FUND EQUITY

Reserves

Reserves represent those portions of fund equity not appropriable for expenditure or legally segregated for a specific future use.

Designated Fund Balances

Designated fund balances represent tentative plans for future use of financial resources.

M. TOTAL COLUMNS ON STATEMENTS

The total columns on the statements are captioned Memorandum Only to indicate that they are presented only to facilitate financial analysis. Data in these columns do not present financial position or results of operations in conformity with generally accepted accounting principles. Neither is such data comparable to a consolidation.

2. LEVIED TAXES

On July 18, 1998, the district offered two tax propositions to the voters of the district for funding fire protection. An 8 mill tax for the purpose of acquiring, constructing, improving, maintaining and/or operating fire protection facilities and equipment in and for the district for a period of 10 years beginning 1998 and ending with the year 2007 was passed by voters of the district. For the period covered by these financial statements, the millage was set at 8.01 mills. These funds are accounted for in the General Fund of the district.

Also, a proposition to issue general obligation bonds in the amount of \$450,000., to run 20 years for the purpose of acquiring, constructing and improving buildings, machinery and equipment, including both real and personal property, to be used in

WASHINGTON PARISH FIRE PROTECTION DISTRICT # 2
WASHINGTON PARISH GOVERNMENT
Richardson, Louisiana

Notes to the Financial Statements (Continued)
For the Year Ended December 31, 2001

giving fire protection to the property of the district, payable from ad valorem taxes to be levied and collected in the manner provided by Article VI, Section 33 of the Constitution of the State of Louisiana of 1974 was passed by the voters of the district. For the period covered by these financial statements, the millage was set at 7.51 mills. The proceeds of these funds are accounted for in the Debt Service Fund of the district.

2001 Assessed property value		8,763,500
Less: Homestead Exemption		<u>(2,993,180)</u>
Taxable value		<u>5,770,320</u>
	General Fund	Debt Service Fund
8.01 Mill assessment	48,179	
7.51 Mill assessment		43,296
Less: Pension deduction	<u>(1,485)</u>	<u>(1,392)</u>
Net assessment	<u>\$ 44,694</u>	<u>\$ 41,904</u>

3. CASH AND CASH EQUIVALENTS

At December 31, 2001, the district has cash and cash equivalents totaling \$72,713., as follows:

Interest-bearing demand deposits	<u>\$ 72,713.</u>
Total cash and cash equivalents	<u>\$ 72,713.</u>

These deposits are stated at cost, which approximates market. Under state law, these deposits (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent. These securities are to be held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties.

At December 31, 2001 the district had \$73,333. in deposits (collected bank balances). These deposits were secured from risk by \$73,333. of the federal deposit insurance and \$47,200. of pledged securities held by the custodial bank in the name of the fiscal agent bank.

WASHINGTON PARISH FIRE PROTECTION DISTRICT #2
WASHINGTON PARISH GOVERNMENT
Richardson, Louisiana

Notes to the Financial Statements (Continued)
For the Year Ended December 31, 2001

Even though the pledged securities are considered uncollateralized under the provisions of GASB Statement 3, Louisiana Revised Statute 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified by the district that the fiscal agent has failed to pay deposited funds upon demand.

4. INVESTMENTS

At December 31, 2001, the district does not have any deposits classified as investments.

5. RECEIVABLES

The following is a summary of receivables at December 31, 2001:

CLASS OF RECEIVABLE	General Fund	Debt Service Fund
Ad valorem taxes - current year	\$ 44,694	\$ 41,904
Ad valorem taxes - prior year (paid under protest)	12,993	12,182
Total taxes receivable	<u>\$ 57,687</u>	<u>\$ 54,086</u>

6. CHANGES IN GENERAL FIXED ASSETS

A summary of changes in general fixed assets follows:

	Balance January 1, 2001	Additions	Deductions	Balance December 31, 2001
Fire trucks	\$ 486,893	\$ -	\$ -	\$ 486,893
Buildings	34,733	6,051	-	40,784
Fire equipment	39,368	3,007	-	42,375
Other equipment	2,806	4,286	-	7,092
Radios	16,945	2,172	-	19,117
TOTAL	<u>\$ 580,745</u>	<u>\$ 15,516</u>	<u>\$ -</u>	<u>\$ 596,261</u>

WASHINGTON PARISH FIRE PROTECTION DISTRICT # 2
WASHINGTON PARISH GOVERNMENT
Richardson, Louisiana

Notes to the Financial Statements (Continued)
For the Year Ended December 31, 2001

7. PENSION PLAN

Washington Parish Fire Protection District #2 does not employ any paid firefighters or other staff, therefore, they do not participate in any retirement or pension system.

8. COMPENSATED ABSENCES

At December 31, 2001, the district does not employ any compensated firefighters or other employees, therefore, there are no provisions for compensated absences in the financial statements.

9. CHANGES IN GENERAL LONG-TERM OBLIGATIONS

The following is a summary of the long-term obligation transactions during the year:

	Balance January 1, 2001	Additions	Deductions	Balance December 31, 2001
General Obligation Bonds	\$ 425,000	-	15,000	\$ 410,000
TOTAL	<u>\$ 425,000</u>	<u>-</u>	<u>15,000</u>	<u>\$ 410,000</u>

General long term obligations are comprised of the following issues:

On July 18, 1998, the voters of Washington Parish Fire Protection District # 2 passed a proposition for the issuance of \$450,000, general obligation bonds for the purpose of acquiring, constructing, and improving fire protection buildings, machinery and equipment, including both real and personal property for the district, title to which shall be in the public, said bonds to be payable from ad valorem taxes. The interest rate over the 20 years of the offering varies from 4.5% to 7.0% resulting in a net yield of 5.045365% (at par). The district is bound under the terms and provisions of the law and the resolution to impose and collect annually a special ad valorem tax on all the property subject to taxation within the territorial limits of the district, sufficient to pay the principal, interest and any redemption premium, on the Bonds falling due each year. A principal and interest payment is due each June 1st and an interest only payment is due December 1st.

WASHINGTON PARISH FIRE PROTECTION DISTRICT # 2
WASHINGTON PARISH GOVERNMENT
Richardson, Louisiana

Notes to the Financial Statements (Continued)
For the Year Ended December 31, 2001

The annual requirements to amortize all bonds and/or indebtedness outstanding at December 31, 2001, including interest of \$187,165, are as follows:

<u>Year Ending</u>	<u>General Obligation Bonds</u>	<u>Total</u>
2002	33,595	33,595
2003	33,018	33,018
2004	37,320	37,320
2005	36,505	36,505
2006	35,675	35,675
2007-2018	<u>421,051</u>	<u>421,051</u>
	<u>\$ 597,164</u>	<u>\$ 597,164</u>

9. LITIGATION AND CLAIMS

As of December 31, 2001, there were no litigations or claims against the District.

10. RELATED PARTY TRANSACTIONS

The Washington Parish Fire Protection District #2 had no related party transactions during the period under audit.

SUPPLEMENTAL INFORMATION

WASHINGTON PARISH FIRE PROTECTION DISTRICT #2
WASHINGTON PARISH GOVERNMENT
Richardson, Louisiana

Schedule of Compensation Paid Board Members
For the Year Ended December 31, 2001

The schedule of compensation paid to board members is presented in compliance with House Concurrent Resolution No. 54 of the 1979 Session of the Louisiana Legislature. Board members were not paid compensation in any form., except Mr. Butch Busby, Secretary/Treasurer, was paid \$100., for one month for bookkeeping services for the district. Louisiana revised statute 40:1498 provides that a member elected as Secretary or Treasurer of the board may be compensated additionally for such services.

See accountant's report.

ACCOUNTANT'S REPORT ON AGREED UPON PROCEDURES

Durden and Monzo
CERTIFIED PUBLIC ACCOUNTANTS

303 11TH AVENUE
FRANKLINTON, LOUISIANA 70438
(985) 819-4411
FAX (985) 639-4462

William R. Durden

Donna W. Monzo

**INDEPENDENT ACCOUNTANT'S REPORT
ON APPLYING AGREED-UPON PROCEDURES**

Board of Commissioners
Washington Parish Fire Protection District #2
Richardson, LA

Gentlemen:

We have conducted the procedures included in the Louisiana Government Audit Guide and enumerated below, which were agreed to by the management of the Washington Parish Fire Protection District # 2, and the Legislative Auditor, State of Louisiana, solely to assist the users in evaluating management's assertions about the district's compliance with certain laws and regulations during the year ended December 31, 2001, included in the accompanying Louisiana Attestation Questionnaire. This agreed-upon procedures engagement was conducted in accordance with standards established by the American Institute of Certified Public Accountants. The sufficiency of these procedures is solely the responsibility of the specified users of the report. Consequently, we make no representations regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

Public Bid Law

1. Select all expenditures made during the year for material and supplies exceeding \$15,000, or public works exceeding \$100,000, and determine whether such purchases were made in accordance with LAS-RS 38:2211-2251 (the public bid law).

We examined all disbursements for the year ended December 31, 2001, for any transactions that may require application of the public bid law, there were no transactions, in the General Fund for material and supplies exceeding \$15,000, or public works in excess of \$100,000. The capital outlay account totaled \$15,516.43, however, upon further examination, we discovered that there were no single equipment purchases requiring bid law procedures.

Code of Ethics for Public Officials and Public Employees

2. Obtain from management a list of the immediate family members of each board member as defined by LSA-RS 42:1101-1124 (the code of ethics), and a list of outside business interests of all board members and employees, as well as their immediate families.

We obtained a complete list of board members, their immediate family members and their business interest.

3. Obtain from management a listing of all employees paid during the period under examination.

The fire district does not employ any compensated fire fighters or other employees, therefore, this procedure was not performed.

4. Determine whether any of those employees included in the listing obtained from management in agreed-upon procedure (3) were also included on the listing obtained from management in procedure (2) as immediate family members.

This procedure is not applicable due to the absence of compensated employees, however, we did compare the listing obtained from management to payees in the cash disbursement records for any related party transactions, we discovered several disbursements to board members, however, after further examination, we discovered that all were properly documented reimbursements for expenses of the district.

Budgeting

5. Obtain a copy of the legally adopted original budget and all amendments.

Management provided us with a copy of the original budget, there were no amendments.

6. Trace the budget adoption and amendments to the minute book.

We traced the presentation of the original budget to the minutes of the governing board meeting held in November 2000. The minutes of the December 2000 meeting documented the adoption of the 2001 budget. The 2001 budget was not amended.

7. Compare the revenues and expenditures of the final budget to actual revenues and expenditures to determine if actual revenues or expenditures exceed budgeted amounts by more than 5%.

We compared the revenues and expenditures of the original budget (no amended budget was prepared) to actual revenues and expenditures. Revenue variances were favorable, however, the expenditure variance was unfavorable by greater than 5% thus requiring amendment of the budget, however, the budget was not amended.

Accounting and Reporting

8. Randomly select six disbursements made during the period under examination and:

(a) trace payments to supporting documentation as to proper amount and payee:

We examined supporting documentation for the six selected disbursements and found that payment was for the proper amount and made to the correct payee.

(b) determine if payments were properly coded to the correct fund and general ledger account;

The six payments we examined were coded to the correct general ledger accounts and proper fund.

(c) determine whether payments received approval from proper authorities.

Inspection of documentation supporting the selected disbursements indicates approval for payment from the Board of Commissioners, as evidenced in the minutes of meetings and on the face of paid invoices.

Meetings

9. Examine evidence indicating that agendas for meetings recorded in the minute book were posted or advertised as required by LSA-RS 42:1-12 (the open meetings law).

Washington Parish Fire Protection District No. 2 is required to post a notice of each meeting and the accompanying agenda on the door of the district's meeting place. Management has asserted that such documents were properly posted and a copy of each was attached to the minutes of the meeting. When we visited the fire house in June, 2001 these documents were properly displayed.

Debt

10. Examine bank deposits for the period under examination and determine whether any such deposits appear to be proceeds of bank loans, bonds or like indebtedness.

We inspected copies of all bank deposits for the period under examination and did not discover any deposits which appeared to be proceeds of bank loans, bonds or like indebtedness.

Advances and Bonuses

11. Examine payroll records and minutes for the year to determine whether any payments have been made to employees which may constitute bonuses, advances, or gifts.

We scanned cash disbursement records and minutes for evidence of any payments which may constitute bonuses, advances, or gifts to volunteer firemen, none were noted. The district does not employ any compensated firefighters.

Prior Comments and Recommendations

12. Our procedures will include a review of any prior year suggestions, recommendations, and/or comments and will indicate the extent to which such matters have been resolved.

2000-1 Accounting and reporting – One of the six disbursements chosen for examination was not supported by proper documentation. Resolved.

We were not engaged to, and did not, conduct an examination, the objective of which would be the expression of an opinion on management's assertions. Accordingly, we do not express such an opinion. Had we conducted additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the use of management of the Washington Parish Fire Protection District No. 2, the Legislative Auditor, State of Louisiana and the Washington Parish Government and should not be used by those who have not agreed to the procedures and taken responsibility for the sufficiency of the procedures for their purposes. However, this report is a matter of public record and its distribution is not limited.



Durden and Alonzo
Certified Public Accountants

May 6, 2002

MANAGEMENT'S OTHER REPRESENTATIONS

WASHINGTON PARISH FIRE PROTECTION DISTRICT #2
MANAGEMENT'S CORRECTIVE ACTION PLAN
For the Year Ended December 31, 2001

SECTION I - INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES

2001 - 1 Finding:

Budgeting - The original budget required amendment due to actual expenditures being more than 5% unfavorable when compared to budgeted amounts.

Recommendation: Management should be prepared to amend its budget when actual revenues or expenditures vary unfavorably from budgeted amounts by more than 5%.

Management's response: We will make a conscientious effort to monitor our monthly budget/actual financial statement and assure that the district complies with the Local Government Budget Act in the future.



Albert J. Brumfield, Jr., Chairman
Washington Parish Fire Protection District #2

May 8, 2002

LOUISIANA ATTESTATION QUESTIONNAIRE
(For Attestation Engagements of Government)

January 7, 2002 (Date Transmitted)

Durden and Alonzo, CPAs
820 11th Avenue
Franklinton, LA 70438

In connection with your compilation of our financial statements as of December 31, 2001, and for the year then ended, and as required by Louisiana Revised Statute 24:513 and the *Louisiana Governmental Audit Guide*, we make the following representations to you. We accept full responsibility for our compliance with the following laws and regulation and the internal controls over compliance with such laws and regulations. We have evaluated our compliance with the following laws and regulations prior to making these representations.

These representations are based on the information available to us as of December 31, 2001.

Public Bid Law

It is true that we have complied with the public bid law, LSA-RS Title 38:2212, and, where applicable, the regulations of the Division of Administration, State Purchasing Office.

Yes ☒ No ☐

Code of Ethics for Public Officials and Public Employees

It is true that no employees or officials have accepted anything of value, whether in the form of a service, loan, or promise, from anyone that would constitute a violation of LSA-RS 42:1101-1124.

Yes ☐ No ☒

It is true that no member of the immediate family of any member of the governing authority, or the chief executive of the governmental entity, has been employed by the governmental entity after April 1, 1980, under circumstances that would constitute a violation of LSA-RS 42:1119.

Yes ☒ No ☐

Budgeting

We have complied with the state budgeting requirements of the Local Government Budget Act (LSA-RS 39:1301-14) or the budget requirements of LSA-RS 39:34.

Yes ☒ No ☐

Accounting and Reporting

All non-exempt governmental records are available as a public record and have been retained for at least three years, as required by LSA-RS 44:1, 44:7, 44:31, and 44:36.

Yes ☒ No ☐

We have filed our annual financial statements in accordance with LSA-RS 24:514, 33:463, and/or 39:92, as applicable.

Yes ☒ No ☐

We have had our financial statements audited or compiled in accordance with LSA-RS 24:513.

Yes ☒ No ☐

Meetings

We have complied with the provisions of the Open Meetings Law, provided in RS 42:1 through 42:12.

Yes ☒ No ☐

Debt

It is true we have not incurred any indebtedness, other than credit for 90 days or less to make purchases in the ordinary course of administration, nor have we entered into any lease-purchase agreements, without the approval of the State Bond Commission, as provided by Article VII, Section 8 of the 1974 Louisiana Constitution, Article VI, Section 33 of the 1974 Louisiana Constitution, and LSA-RS 39:1410.60-1410.65.

Yes ☒ No ☐

Advances and Bonuses

It is true we have not advanced wages or salaries to employees or paid bonuses in violation of Article VII, Section 14 of the 1974 Louisiana Constitution, LSA-RS 14:138, and AG opinion 79-729.

Yes ☒ No ☐

We have disclosed to you all known noncompliance of the foregoing laws and regulations, as well as any contradictions to the foregoing representations. We have made available to you documentation relating to the foregoing laws and regulations.

We have provided you with any communications from regulatory agencies or other sources concerning any possible noncompliance with the foregoing laws and regulations, including any communications received between the end of the period under examination and the issuance of this report. We acknowledge our responsibility to disclose to you any known noncompliance which may occur subsequent to the issuance of your report.

<u>Batth A. Bony</u>	Secretary	<u>1.7.02</u>	Date
<u>Batth A. Bony</u>	Treasurer	<u>1.7.02</u>	Date
<u>Albert J. Brumfield</u>	President	<u>1-7-02</u>	Date